

# **USAID** Regional Trade Program for **CAFTA-DR**

**Work Plan (July 2009 - July 2010)** 

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# **A**CRONYMS

CAFTA-RD Dominican Republic-Central America-United States Free Trade

Agreement

CRT USAID Regional Trade Program for CAFTA-DR

DARA Honduran Customs Directorate (Spanish acronym)

DGA-CR Costa Rican Customs Directorate (Spanish acronym)

DGA-ES Salvadoran Customs Directorate (Spanish acronym)

DGA-NI Nicaraguan Customs Directorate (Spanish acronym)

DGA-RD Dominican Customs Directorate (Spanish acronym)

DR Dominican Republic

FTA Free Trade Agreement

GEDOEL Electronic Documents Generating System (Spanish acronym)

IR Intermediate Result

IT Information Technology

ROO Rules of Origin

SAT Tax Administration Superintendence (Spanish acronym)

SIECA Central American Economic Integration Secretariat (Spanish acronym)

SO Strategic Objective

TSG The Services Group

USAID United Status Agency for International Development

WCO World Customs Organization

#### A. EXECUTIVE SUMMARY

During the period covered by this work plan (July 1, 2009 to July 31, 2010), the USAID Regional Trade Program for CAFTA-DR, will seek to execute a series of activities to consolidate the results achieved during the program's base period, and attain additional goals in the areas of Rules of Origin (component 1) and Customs Administration (component 2). We will also provide technical assistance for the institutional strengthening of the Central American Economic Integration Secretariat (component 3).

## A.1. Expected Results

The results that CRT seeks to achieve during the period encompassed by this work plan, respond to the needs and priorities of the program's counterparts, as identified by the execution of a participative diagnosis tool denominated "Opportunities Stoplight" (Semáforo de Oportunidades) in June 2009. The achievement of the proposed results will require the effective planning and coordination of activities, focused on maximizing the program's impact through the efficient use of available human and financial resources.

Following is a list of expected results, organized by component:

Component 1. CAFTA-DR member countries in compliance with Rules of Origin requirements stated in Chapter 4 of the agreement.

- Established and operational rules of origin units or departments in all CAFTA-DR member countries.
- Reach a 70% effectiveness rate in post-release origin verifications performed by CAFTA-DR countries.
- Implement administrative directives at borders and points of entry of CAFTA-DR member countries that will facilitate the application of preferential treatment established in the agreement.
- Adoption of the GEDOEL information system in all CAFTA-DR member countries.
- At least 25% of the origin certificates issued in CAFTA-DR member countries generated using the GEDOEL automated system.

Component 2. CAFTA-DR member countries in compliance with Customs Administration requirements stated in Chapter 5 of the agreement.

- Reduce the number of physical shipment inspections in CAFTA-DR member countries by 50% (up to a minimum of 10% of total shipments).
- Improve the effectiveness of physical shipment inspections in CAFTA-DR member countries (at least 30% of the inspected shipments presenting positive findings).
- 75% of the exports and imports of CAFTA DR member countries subject to selectivity processes based on risk criteria and profiles.
- Established and operational advance rulings departments in all CAFTA-DR member countries.

- Normal cargo released in less than 48 hours after arrival, and express delivery cargo in less than 6 hours in all CAFTA-DR member countries. This time will be measured in accordance with the WCO methodology adopted by all member countries.
- Electronic reception of customs declarations in CAFTA-DR member countries increased by 50%.
- Established and operational departments to administer sanction regimes related to chapters 4 and 5 in all CAFTA-DR member countries.

Component 3. Strengthening SIECA's Institutional Capacity.

 Strengthened capacity of SIECA to manage assistance programs for the implementation of CAFTA-DR.

## A.2. Proposed Activities

Our work plan is based on the execution of specific activities aimed at furthering the proposed results, in accordance with the expected outcomes outlined in the program's technical proposal and the "Opportunities Stoplight" (Semáforo de Oportunidades) exercise completed by CRT in June 2009. These activities, described in detail in the following sections, include the provision of technical assistance, training and high quality products.

Among the most important activities planned for the different countries, we can mention:

Component 1. CAFTA-DR member countries in compliance with Rules of Origin requirements stated in Chapter 4 of the agreement.

- Review and amend customs release procedures used by member countries to reduce the number of immediate inspections related to origin issues.
- Strengthen customer support units in the area of rules of origin.
- Strengthen institutions in charge of processing administrative litigation appeals on ROO issues.
- Provide customs with control mechanisms and the trade community with tools to fill in and issue electronic origin certifications.
- Strengthen the post-release origin verification function.

Component 2. CAFTA-DR member countries in compliance with Customs Administration requirements stated in Chapter 5 of the agreement.

- Improve the comprehensive cargo clearance process, reducing it to less than 48 hours after arrival.
- Provide customs with automated tools, training and procedures to strengthen the risk management function.
- Strengthen the administration of sanctions arising from customs operations.

 Enhance the capacity of CAFTA-DR Customs to process and issue advance rulings.

Component 3. Strengthening of SIECA's Institutional Capacity.

• Provide SIECA with specialized technical assistance, in accordance with its institutional strengthening plan.

#### **B. INTRODUCTION**

The Dominican Republic, Central America and the United States of America signed the Free trade Agreement (FTA) CAFTA-DR on August 5, 2004. This agreement was ratified by the Congresses of the United States of America, Honduras, El Salvador, Guatemala, Nicaragua, Dominican Republic and Costa Rica. The agreement entered into effect on March 1, 2006 in El Salvador; on April 1, 2006 in Honduras and Nicaragua; on July 1, 2006, in Guatemala; and on March 1, 2007 in the Dominican Republic. CAFTA-DR was approved in Costa Rica through referendum held on October 7, 2007 and entered into effect on January 1, 2009.

The execution of this trade integration project imposes multiple challenges on the Customs authorities of member countries, among which two stand out as the most important: (i) guarantee the trade flow of merchandise under preferential tariffs, demanding, when necessary and justifiable, that importers, producers and exporters demonstrate compliance with the rules of origin set forth in the Agreement; and (ii) guarantee the expedite flow of goods through the implementation of efficient customs release procedures, and the effective use of risk management systems that focus the physical inspection of shipments only on those areas with a higher probability of risk. Under this context, the USAID/San Salvador regional office signed a contract with Chemonics International on December 1, 2006 to execute the USAID Regional Trade Program for CAFTA-DR (CRT) with the purpose of supporting CAFTA- DR signatory countries in the following areas:

- Compliance with the obligations set forth in the agreement regarding Rules of Origin related procedures (Chapter 4 of the Agreement).
- Compliance with the obligations set forth in the Agreement regarding Customs Administration (Chapter 5 of the Agreement).
- Strengthen the trade capacity of member countries through technical assistance activities under the national action plan framework (NAP).
- Supporting member countries in their initiatives to adopt and/or comply with the requirements established in the following conventions and treaties:
  - 1. Inter American Uniform Regulations on documents and electronic signatures;
  - 2. Inter American Convention on the Legal Power of Attorneys to be used abroad; and
  - 3. The Hague Convention to Suppress the legalization of Public Foreign Documents.

On June 30, 2009, at the end of the program's base period, USAID and Chemonics signed an amendment for the CRT Program execution, extending the period of performance for an additional 13 months, until July 31, 2010.

Under this amendment, the Program will continue working with CAFTA-DR countries on the implementation of the obligations contracted under the Agreement, regarding Rules of Origin (Chapter 4) and Customs Administration (Chapter 5). Additionally, technical assistance will be provided to SIECA to strengthen its capacity to manage CAFTA-DR implementation assistance programs.

This document was developed with the purpose of informing USAID and CRT counterpart institutions about the objectives and outcomes that CRT aims to reach

during the period between July 1, 2009 and July 31, 2010; and the activities and proposed schedule to attain these goals.

#### C. EXPECTED RESULTS

The CRT program is an important part of the United States Agency for International Development's program for Mexico and Central America (USAID/E-CAM), contributing to the compliance of Strategic Objective (SO) 2 and its Intermediate Result (IR) 1.

As shown in figure 1, during the period covered by this work plan, the CRT program seeks to achieve results in the following three areas:

- 1. Compliance with the obligations set forth in the CAFTA -DR agreement regarding Rules of Origin;
- 2. Compliance with the obligations set forth in the CAFTA-DR agreement regarding Customs Administration; and
- 3. Strengthen the Institutional capacity of the Central American Economic Integration Secretariat (SIECA).

The achievement of the proposed results depends on the satisfactory implementation of a set of activities organized under the above mentioned areas. To this end, and building on the work carried out during the program's base period, (December 2006 – June 2009), we aim at consolidating and expanding the results of the program by executing specific activities targeted at enhancing the implementation of the agreement in member countries.

USAID/Central America's Strategic Objective 2 Goal: Economic freedom: open, diversified, expanding economies USAID's Intermediate Result 1: Adoption of laws, policies, and regulations that promote trade and investment CAFTA-DR Regional Trade Project Goal: CAFTA-DR countries successfully implementing requirements of CAFTA-DR **PIR 1:** PIR 2: **PIR 3:** CAFTA-DR countries meeting Chapter CAFTA-DR countries meeting Chapter 5 SIECA's institutional 4 requirements in rules of origin requirements in customs administration capacity strengthened KRA 1.1: Origin authorities organized KRA 2.1: Efficiency and effectiveness of customs KRA 3.1: Institutional capacity operations enhanced through improved risk of SIECA to manage free trade and trained to effectively administer rules of origin management agreements and donor programs Well-functioning origin offices strenathened · Physical inspections of cargos reduced established and operational · Effectiveness of physical inspections increased Effectiveness of origin verifications · Findings registered and effectively used in risk and post-clearance audits improved analysis and decision-making KRA 2.2: Efficiency and effectiveness of customs KRA 1.2: Trade community informed and making use of rules of origin operations improved through streamlined procedures and increased transparency · Understanding and use of rules of · Advance rulings office created, operational, and origin under CAFTA-DR enhanced issuing advance rulings on a timely manne Determination of origin and issuance of certificates of origin Time frame for the release of goods reduced within CAFTA-DR requirements facilitated through automated regional system · Transparency of customs operations improved · CAFTA-DR sanctions regime effectively administered KRA 2.3: CAFTA-DR sanctions regime effectively administered and CAFTA-DR cooperation improved · Create an office, or implement procedures in each member country to manage the CAFTA-DR sanctions regime related to Chapters 4 and 5

Exhibit 1. CAFTA-DR Regional Trade Program Results Framework

Improve cooperation in the context of CAFTA-DR

#### D. ORGANIZATIONAL STRUCTURE

The activities of the CRT program are regional in nature, encompassing the six member countries of CAFTA-DR. This geographical dispersion combined with a range of technical areas; make the management of the CRT program a complex task.

The program's main office is located in San Salvador, where the planning, organization, direction and control function are carried out under the leadership of the Chief of Party (COP) and Deputy Chief of Party (DCOP) of the program. These functions are supported by two technical leaders (one for rules of origin and another for customs administration) in charge of providing the technical direction necessary to implement program activities (it is worthwhile mentioning that the Technical Leaders coordinate their work with the Deputy Chief of Party from Mexico and Costa Rica respectively). Additionally, there is an administrative team in charge of performing all program logistics and financial tasks. As part of this team, CRT has Coordinators in each of the CAFTA-DR countries, in charge of coordinating the necessary logistics to implement program activities, and keeping a close relationship with local counterparts.

In order to strengthen its technical capacity, improve planning and organization and reinforce its relationships with local counterparts (particularly with Customs), CRT implemented a series of changes in its organizational structure during the first semester of 2009. These changes yielded good results, allowing the program to execute approximately 90% of the work plan activities proposed for the first semester of 2009.

For the period covered under this work plan, additional changes to the organizational structure were incorporated with the purpose of consolidating the program's technical and strategic capacity; these changes include:

- 1. The incorporation of Mr. William García as Chief of Party. Mr. García will be in charge of leading the program's strategy, keeping close relations with program counterparts, and ensuring that the program's work is delivered with high quality standards and satisfying counterpart's needs.
- 2. Mr. Rafael Isunza was hired as Technical Leader for the area of Rules of Origin (ROO) with the purpose of supporting both the COP and DCOP in the drafting of a ROO strategy. Likewise, Mr. Isunza is responsible for providing the technical follow up to program activities in this area.
- 3. Mr. Cuitlahuac Baños was hired as Risk Management Expert, responsible for the technical execution of program activities in this area. Likewise, Mr. Baños will perform as the program's Coordinator for Guatemala.

**PMU Chemonics Chief of Party USAID Regional Program** SIECA William Garcia El Salvador Regional Organizations Deputy Chief of Party Fernando Barragán **Operations Team Customs Administration Team Rules of Origin Team** Operations Manager Rafael Isunza (Leader) Operations Assistant Margarita Libby (Leader) Juan Luis Zuñiga Accountant Cuitlahuac Baños Aleiandro Garcia Communications Specialist **David Santos** Rodrigo Iruretagoyena Office Assistant In-Country Coordinators Dominican Costa Rica Nicaragua El Salvador Guatemala Honduras Republic Margarita Libby TBD Miguel Mejia Ricardo Martell Cuitlahuac Baños Natalia Polanco **In-country Counterparts Customs Directorates/Treaty Administration Units USAID: Bilateral Missions** 

**Exhibit 2. CAFTA-DR Regional Trade Program Organizational Chart** 

## **E. INTERVENTION STRATEGIES**

In its basic definition, trade can be described as the flow of goods or services across borders. To effectively manage these flows, countries need to have the capability to: (i) understand and implement the procedures defined in their domestic legislation, and (ii) develop the capacity of their human and material resources to perform their role in a quick, efficient and transparent manner.

Although the level of development on the above mentioned areas varies from one CAFTA-DR country to another, there are common areas which are the basis for the development of CRT's strategy. This strategy is built on the following guiding principles:

Recurrent Assessment and Analysis. It is very important to perform recurrent assessment exercises to ensure that the program's executed activities are leading to the achievement of the expected results. To this end, during the first quarter of 2009, the CRT program developed a tool called "Opportunities Stoplight" (Semáforo de Oportunidades), through which quarterly assessments of the progress attained by member countries in the implementation of CAFTA-DR requirements in the areas of Rules of Origin and Customs Administration will be performed.

Effective management of Rules of Origin requirements (ROO). One of the most important challenges to effectively implement the ROO requirements imposed by CAFTA-DR, is structuring Customs Directorates so as to enable them to comply with the obligations undertaken in this area as members of the Free Trade Agreement. With this objective in mind, CRT will continue supporting its counterparts in the strengthening of their Rules of Origin Units, by providing them recommendations to optimize their organizational structures, providing practical and highly specialized training, developing improved directives and procedures, and promoting the adoption of a regional computerized system to determine and certify origin.

Effective knowledge and use of the Rules of Origin by the Trade Community. From a user perspective, knowledge gained through access to information is key to reap the benefits offered by CAFTA-DR. In turn, this depends on the capability to understand and profit from origin rules and procedures in a real and practical manner, allowing the correct tariff classification of the final product and the corresponding access to preferential treatment. To this aim, CRT will implement and promote the use of a computerized regional system (GEDOEL), developed during the base period of the program, to determine and certify origin. The program will also provide the trade community with practical training on specialized topics, and will develop a user's guide to enhance the understanding of rules of origin under CAFTA-DR.

Efficient and effective customs operations through the use of risk management techniques. Risk management is a vital element to improve customs procedures; moreover, customs release can become faster and cheaper through the adoption of effective risk management systems that benefit the trade community without sacrificing the Custom's control and collection processes. A sound risk management system focuses the physical inspection of goods to those areas with the highest probability of risk, allowing the quick release of low risk shipments. To this end, the CRT program will support member countries in the strengthening of their risk management units by: optimizing their organizational structures; adopting automated techniques and systems to identify risk factors; providing its staff with practical training on specialized topics; and by drafting procedural manuals describing and facilitating the use of risk methodologies.

Efficient and effective customs operations through improved and transparent procedures. One of the most important goals pursued by the CAFTA -DR is to reduce the time involved in the release of goods, which translates into important cost savings for foreign trade users. CRT will support countries in the furtherance of this goal by improving their goods release procedures, ensuring these incorporate international best practices and eliminate inefficiencies that cause delays in the process. Our assistance will seek the adoption of a comprehensive strategy (one -stop-shop type) that involves not only Customs but also other public and private stakeholders that participate in the process. Likewise, the program will continue supporting countries in the establishment of units in charge of issuing advance rulings, training their staff and helping them adopt computer tools that will allow them to issue rulings on a timely basis.

Effective management of sanctions regimes in accordance with CAFTA-DR. As an important complement to the previously mentioned initiatives, member countries need to manage their sanction regimes effectively to discourage foreign trade user s from resorting to potentially illegal practices. Recognizing this fact, CRT will assist CAFTA-DR countries in the adoption of procedures and regulations in the area of sanctions that respond to the FTA requirements, and by training the staff appointed to administer them.

## F. COUNTRY STATUS AND PROPOSED ACTIVITIES

As previously mentioned, during the first semester of 2009, CRT worked in the development and implementation of a tool called "Opportunities Stoplight" (Semáforo de Oportunidades) to identify specific areas where the implementation of the provisions set forth in chapters 4 and 5 of the CAFTA-DR agreement could be improved among its member countries.

This tool was used jointly by program consultants and institutional counterpart representatives (customs and in some cases by units in charge of managing free trade agreements); yielding results that identify the areas where each member country

already has the necessary elements for an adequate implementation of the FTA requirements; as well as those areas where efforts need to be focalized for an adequate implementation.

Based on these results, the program prepared a summary of the individual status of each member country, including the activities to be executed in each one to better implement CAFTA-DR requirements.

A detail of the activities and products that CRT proposes to work on in each member country is annexed to this document.

#### El Salvador:

Chapter 4 - Rules of Origin

The Salvadoran Customs (DGA-ES) is one of the most advanced agencies in the region in rules of origin matters; as evidenced by the creation of a specific unit in charge of performing ROO related functions back in 2004.

The Rules of Origin Unit is responsible for responding to user inquires, as well as for carrying out origin verifications. The unit is comprised by a Head of Department and four experienced technicians who have participated in several origin verification audits. Notwithstanding, specific areas on which staff need additional training have been identified.

While the Rules of Origin Unit is working satisfactorily, other participants, inside and outside customs, are also responsible for the correct application of the provisions set forth in chapter 4 of the CAFTA-DR agreement. Among these participants we can mention customs border authorities, judges, appeals officials, and foreign trade users. Unfortunately the capacity of these participants needs to be improved for the comprehensive system of rules of origin to work properly in El Salvador.

In this sense, CRT assistance to the DGA-ES on rules of origin will be focused on the following areas:

- Review and adopt administrative provisions related to preferential treatment under CAFTA-DR, that clearly define the conditions under which foreign trade users can request preferential tariffs, and that adequately reflect the trade facilitation spirit of the agreement.
- Increase the transparency of customs procedures in the area of ROO by publishing and granting the trade community easy access to them.
- Build the capacity of judges and prosecutors in charge of handling customs administrative appeals in the area of rules of origin.
- Strengthen the capacity of the private sector in the area of rules of origin to: a)
  enable them to reap the benefits offered by CAFTA-DR; and b) allow them to be
  better prepared in case they are subject to a post-release origin verification
  process.
- Review or develop customs procedures to address origin violations related with transits and in-bond shipments.

- Provide foreign trade users with tools to determine the origin of goods and issue electronic certificates of origin.
- Reinforce the post-release origin verification function, through the adoption of computer tools, training and greater transparency.

# Chapter 5 – Customs Administration

The Salvadoran Customs has undergone a modernization process that started a decade ago, resulting in an important improvement in its performance and the recognition as one of the most advanced Customs agencies in the region. The most important achievement attained in this process is the reduction of the time necessary for the clearance of goods, resulting from streamlining the customs release process and the adoption of risk analysis techniques.

Despite the above, the analysis carried out jointly by CRT and customs revealed a number of areas in which the implementation of the provisions set forth in chapter 5 of CAFTA-DR can be improved, while at the same time enhancing the performance of the Salvadoran Customs.

For example, the results of a time release survey, conducted with the assistance of USAID during 2008, revealed that the time necessary for the release of goods is still over the goal of 48 hours after arrival established by CAFTA-DR. Although it is true that the delays in the release process are not entirely attributable to Customs, there is still room to continue improving the Customs intervention in the process, in addition to the processes that correspond to other stakeholders.

The assistance to be provided by CRT under this component will be concentrated on the following areas:

- Review customs procedures in order to streamline them through the incorporation of international best practices, conducive to reduce the time involved in the clearance of goods.
- Assist in the implementation of the "Virtual One-Stop-Shop Window for Imports", developed by the CRT program during the first semester of 2009, with the objective of reducing the time required for the release of goods to below 48 hours after arrival.
- Strengthen the risk management function by adopting computer tools and procedures that allow reducing the number of physical shipment inspections and/or increase their effectiveness; and through the provision of training.
- Enhance the capacity of DGA-ES to process and issue advance rulings, through training; and the implementation of a computer module to receive, manage and issue resolutions.

#### Costa Rica:

#### Chapter 4 – Rules of Origin

Costa Rica is one of the most advanced countries in the region in the area of rules of origin, resulting from the serious modernization and rest ructuring efforts carried out by the Costa Rican Customs Directorate over the last years.

The duties corresponding to rules of origin are divided between the Ministry of Foreign Trade (COMEX) and the Costa Rican Customs Directorate (DGA-CR). COMEX is in charge of providing support, guidance and information related to ROO to the trade community, while Customs is in charge of the origin verification function.

The DGA-CR created an Origin Verification Department, under the supervision of the Audit Directorate, to adequately perform its origin verification duties. Although this department has trained and experienced professionals, CRT will continue to support their strengthening through the provision of training in specialized topics; and the development of verification manuals and audit plans.

It will also be important to build the capabilities of other stakeholders that intervene in the correct application of rules of origin, such as customs border officials, judges, appeals officials, and the private sect or.

The assistance that CRT will provide under this component focuses on the following areas:

- Review and adopt administrative provisions related to preferential treatment under CAFTA-DR, that clearly define the conditions under which foreign trade users can request preferential tariffs, and that adequately reflect the trade facilitation spirit of the agreement.
- Strengthen the Customer service unit through training in ROO and by incorporating mechanisms and procedures to effectively respond to complaints and consultations.
- Build the capacity of judges and prosecutors in charge of handling customs administrative appeals in the area of rules of origin.
- Strengthen the capacity of the private sector in the area of rules of origin to: a)
  enable them to reap the benefits offered by CAFTA-DR; and b) allow them to be
  better prepared in case they are subject to a post-release origin verification
  process.
- Review or develop customs procedures to address origin violations related with transits and in-bond shipments.
- Provide foreign trade users with tools to determine the origin of goods and issue electronic certificates of origin.
- Reinforce the post-release origin verification function, through the adoption of computer tools, training and greater transparency.

# Chapter 5 - Customs Administration

Costa Rica is one of the most advanced countries in the region in the area of customs administration. Through the implementation of a modern computerized system, denominated "Information Technology for Customs Control" (TICA), Costa Rica has automated its customs processes. The TICA system requires customs agents to submit customs declarations electronically, and allows for real-time tracking of declaration's status.

The average time involved in the customs portion of the release of goods process is reasonable; however, when the processes carried out by other stakeholders that are not part of Customs is factored in, Costa Rica has the highest clearance time in the whole CAFTA-DR region. Accordingly, it is important to work with the different stakeholders involved to optimize their processes.

In terms of risk management, Costa Rica has a Customs Risk Management Directorate comprised by the departments of Customs Intelligence, and Risk Management and Planning. This directorate uses risk profiles based on deterministic rules to identify risky cargo; and although Costa Rica has one of the lowest rates of physical inspections in the region (12.6%), inspection effectiveness has room to be improved.

The specific customs administration topics in which DGA-CR still needs to focus on include:

- Review customs procedures in order to streamline them through the incorporation of international best practices, conducive to reduce the time involved in the clearance of goods.
- Strengthen the risk management function by adopting computer tools, and procedures that allow reducing the number of physical shipme nt inspections and/or increase their effectiveness; and through the provision of training.
- Enhance the capacity of DGA-CR to process and issue advance rulings, through training; and the implementation of a computer module to receive, manage and issue resolutions.

# Guatemala:

# Chapter 4 – Rules of Origin

The administration of rules of origin in Guatemala is under the jurisdiction of the Foreign Trade Administration Directorate (DACE), which forms part of the Ministry of Economy. This Directorate, through its Rules of Origin Department, is in charge of providing customer support to the trade community in the area of ROO, and of performing the origin verification function. For this purpose, the Rules of Origin Department has a staff of four professionals with relevant experience in this area.

Similarly to other member countries, there are several actors involved in the correct application of rules of origin, (customs border officials, judges and the private sector) that must build their capacity to become more effective in the application of the rules of origin under CAFTA-DR.

The assistance proposed for Guatemala under this component focuses on the following areas:

- Review and adopt administrative provisions related to preferential treatment under CAFTA-DR, that clearly define the conditions under which foreign trade users can request preferential tariffs, and that adequately reflect the trade facilitation spirit of the agreement.
- Build the capacity of judges and prosecutors in charge of handling customs administrative appeals in the area of rules of origin.

- Strengthen the capacity of the private sector in the area of rules of origin to: a)
  enable them to reap the benefits offered by CAFTA -DR; and b) allow them to be
  better prepared in case they are subject to a post-release origin verification
  process.
- Review or develop customs procedures to address origin violations related with transits and in-bond shipments.
- Provide foreign trade users with tools to determine the origin of goods and issue electronic certificates of origin.
- Reinforce the post-release origin verification function, through the adoption of computer tools, training and greater transparency.

## Chapter 5 – Customs Administration

The customs administration function in Guatemala is under the jurisdiction of the Tax Administration Superintendence (SAT), through the Customs Intendancy. Over the last few years, the Customs Intendancy has successfully implemented a series of measures to streamline the release of goods process.

Among the most important steps undertaken by the SAT in the early years of this decade, was the adoption of a risk analysis module that uses statistical techniques and data mining analysis to define customs risk profiles. Notwithstanding, the effectiveness of this module is wearing out due to its limited flexibility and the lack of effective feedback regarding findings from other SAT systems. This is evidenced in the high percentage of physical inspections carried out by the SAT (over 30%) and their low level of effectiveness (approximately 8%).

In terms of customs procedures, the SAT has worked in streamlining them, achieving an important reduction in the time required by customs to clear goods. Nevertheless, the time involved in the integral clearance process, which includes processes carried out by other stakeholders that are not part of Customs, far exceeds the goal of less than 48 hours established by CAFTA-DR.

CRT's assistance on this component will target the following activities:

- Improve the information available to the trade community regarding customs procedures, by means of the publication of a customs guide.
- Review customs procedures in order to streamline them through the incorporation of international best practices, conducive to reduce the time involved in the clearance of goods.
- Improve the procedures used by non-customs entities involved in the release of goods process, to reduce the average clearance time to less than 48 hours after arrival.
- Strengthen the risk management function by adopting computer tools and procedures that allow reducing the number of physical shipment inspections and/or increase their effectiveness; and through the provision of training.
- Strengthen the sanctions administration function related to customs operations.

 Enhance the capacity of DACE to process and issue advance rulings, through training; and the implementation of a computer module to receive, manage and issue resolutions.

# Dominican Republic:

## Chapter 4 – Rules of Origin

Rules of Origin functions in the Dominican Republic are under the authority of the Dominican Customs Directorate (DGA-RD). In response to the Free Trade Agreement signed between the Dominican Republic and the Central American countries in the year 2000, DGA-RD created the Origin Standards Unit, under the supervision of its Technical Directorate. Notwithstanding, in 2006, the Higher Tax Administration Council (Consejo Superior de Administración Tributaria) issued an internal regulation approving a new organizational structure for the Dominican Customs Directorate, which "deactivated" the Origin Standards Unit. The aforementioned, portrays the lag that exists in the Dominican Republic in the area of rules of origin.

In response to this situation, during the first quarter of 2009, the CRT program assisted DGA-RD in its efforts to establish a Rules of Origin Technical Department, in charge providing customer support in ROO; and an Origin Oversight Department, in charge of carrying out origin verification functions. To date, DGA-RD is still in the process of implementing CRT's recommendations.

This lag is also reflected in other participants that intervene in the rules of origin application, who need to develop their capacity to achieve an effective implementation of rules of origin provisions under CAFTA-DR.

The assistance offered by CRT for this component will be focused on the following areas:

- Review and adopt administrative provisions related to preferential treatment under CAFTA-DR, that clearly define the conditions under which foreign trade users can request preferential tariffs, and that adequately reflect the trade facilitation spirit of the agreement.
- Strengthen the Customer service unit through training in ROO and by incorporating mechanisms and procedures to effectively respond to complaints and consultations.
- Build the capacity of judges and prosecutors in charge of handling customs administrative appeals in the area of rules of origin.
- Strengthen the capacity of the private sector in the area of rules of origin to: a)
  enable them to reap the benefits offered by CAFTA -DR; and b) allow them to be
  better prepared in case they are subject to a post-release origin verification
  process.
- Review or develop customs procedures to address origin violations related with transits and in-bond shipments.
- Provide foreign trade users with tools to determine the origin of goods and issue electronic certificates of origin.

 Reinforce the post-release origin verification function, through the adoption of computer tools, training and greater transparency.

# Chapter 5 – Customs Administration

Customs Administration is the responsibility of DGA-RD, that uses a proprietary computerized system "Dominican Customs System" (SIADOM) to control foreign trade operations. This system presents deficiencies and does not incorporate customs best practices in several areas, including risk management. As a consequence, the time required for the clearance of goods is significantly higher than the threshold established under CAFTA-DR.

To improve its efficiency, and with the cooperation of the Government of South Korea, DGA-RD is working on the development of a new automated customs administration system. This system, planned to be released in 2009, will incorporate international best practices and requirements in the area of customs.

In order to improve its processes, DGA-DR should focus its efforts in the following areas:

- Develop procedures to establish a consultation mechanism, aimed at taking into consideration feedback from stakeholders regarding proposed changes and/or additions to customs regulations and procedures.
- Review customs procedures in order to streamline them through the incorporation of international best practices, conducive to reduce the time involved in the clearance of goods.
- Improve the procedures used by non-customs entities involved in the release of goods process, to reduce the average clearance time to less than 48 hours after arrival.
- Strengthen the risk management function by adopting procedures and providing training aimed at reducing the number of physical inspections of shipments and increasing their effectiveness.
- Enhance the capacity of DGA-DR to process and issue advance rulings, through training; and the implementation of a computer module to receive, manage and issue resolutions.

# Nicaragua:

# Chapter 4 – Rules of Origin

Rules of Origin in Nicaragua are the responsibility of the Customs General Directorate (DGA-NI). This directorate has a Rules of Origin Department, which is part of the Customs Oversight Division, and is in charge of providing customer support to trade users in the area of rules of origin, as well as for ensuring ROO compliance through the origin verifications.

As part of the assistance provided to customs during the first semester of 2009, CRT provided a series of recommendations to strengthen the structure of the Rules of Origin Department, to make its operations more efficient. These included the establishment of

two sections within the department; the first one in charge of providing legal support and customer service, and the second one in charge performing the origin verification function. Likewise, an origin verification manual was published and staff members from the department were trained on its practical application.

Although the above mentioned activities had a very positive impact in strengthening the Rules of Origin Department, it is important to continue training its staff so they can acquire the necessary knowledge and experience to perform their functions effectively.

Assistance should also be provided to the remaining stakeholders involved in this area, so that the administration and application of rules of origin comply with the requirements of free trade agreements and maximize the benefits to the trade community.

The CRT assistance will be focused on the following areas:

- Review and adopt administrative provisions related to preferential treatment under CAFTA-DR, that clearly define the conditions under which foreign trade users can request preferential tariffs, and that adequately reflect the trade facilitation spirit of the agreement.
- Strengthen the Customer service unit through training in ROO and by incorporating mechanisms and procedures to effectively respond to complaints and consultations.
- Build the capacity of judges and prosecutors in charge of handling customs administrative appeals in the area of rules of origin.
- Strengthen the capacity of the private sector in the area of rules of origin to: a)
  enable them to reap the benefits offered by CAFTA-DR; and b) allow them to be
  better prepared in case they are subject to a post-release origin verification
  process.
- Review or develop customs procedures to address origin violations related with transits and in-bond shipments.
- Provide foreign trade users with tools to determine the origin of goods and issue electronic certificates of origin.
- Reinforce the post-release origin verification function, through the adoption of computer tools, training and greater transparency.

#### Chapter 5 – Customs Administration

Nicaragua has achieved important improvements in and the area of customs administration. These include concerted efforts on the review and streamlining of customs procedures; and the adoption of a risk management module that allows the identification of risk profiles, through the use of statistical analysis and data mining techniques.

While the mentioned improvements are important to reduce the discretionality of customs officials and the time required for the customs clearance of goods —currently at an average of 48 hours measured upon the presentation of the customs declaration,

it is important to work on the continuous improvement of customs processes and in the strengthening of the risk management function.

Assistance should also be provided to the remaining stakeholders involved in the comprehensive clearance process in order to reduce the clearance time, measured from the arrival of goods, to less than 48 hours.

Based on the above, the assistance proposed by CRT in this area is focused on the following:

- Develop procedures to establish a consultation mechanism, aimed at taking into consideration feedback from stakeholders regarding proposed changes and/or additions to customs regulations and procedures.
- Review customs procedures in order to streamline them through the incorporation of international best practices, conducive to reduce the time involved in the clearance of goods.
- Develop a methodology to evaluate the efficiency of the customs clearance process.
- Improve the procedures used by non-customs entities involved in the release of goods process, to reduce the average clearance time to less than 48 hours after arrival.
- Strengthen the risk management function through training aimed at reducing the number of physical inspections of shipments and increasing their effectiveness.
- Enhance the capacity of DGA-NI to process and issue advance rulings, through training; and the implementation of a computer module to receive, manage and issue resolutions.
- Develop procedures to manage shared confidential information and train staff in its application.

## Honduras:

#### Chapter 4 – Rules of Origin

In Honduras, the administration of Rules of Origin is the responsibility of the Customs Directorate (Dirección Adjunta de Rentas Aduaneras (DARA)). Under its structure, this directorate has assigned the function of providing customer support in the area of rules of origin to the Trade Agreements Management Section, which counts with trained staff and public access channels to comply with this function. In terms of origin verification, following CRT recommendations, DARA is in the process of setting up a team of auditors who will be in charge of this function within the scope of the Oversight Department.

As part of the assistance provided to customs by CRT, an origin verification manual was developed and customs officials were trained on basic verification techniques. Notwithstanding, as proposed below, it is necessary to continue assisting DARA in the strengthening of the verification function through the provision of training to staff

assigned to carry out this function. It is also necessary to build the capacity of other stakeholders intervening in the rules of origin application, including the private sector.

Therefore, the CRT assistance will concentrate on the following:

- Strengthen the Customer service unit through training in ROO and by incorporating mechanisms and procedures to effectively respond to complaints and consultations.
- Strengthen the capacity of the private sector in the area of rules of origin to: a)
  enable them to reap the benefits offered by CAFTA -DR; and b) allow them to be
  better prepared in case they are subject to a post-release origin verification
  process.
- Review or develop customs procedures to address origin violations related with transits and in-bond shipments.
- Provide foreign trade users with tools to determine the origin of goods and issue electronic certificates of origin.
- Reinforce the post-release origin verification function, through the adoption of computer tools, training and greater transparency.

#### Chapter 5 – Customs Administration

In Honduras the role of Customs Administration is the responsibility of the Customs Directorate (Dirección Adjunta de Rentas Aduaneras (DARA)). During the last 12 months, this directorate has made important strides towards improving customs efficiency, by executing a series of initiatives conducive to enhancing the effectiveness and transparency of its processes, while reducing the customs release time.

Among the most important initiatives, we can mention: the adoption of a new customs information system (SARAH); the implementation of a risk management module; and the development of an automated system to monitor the status of customs declarations in real time.

The above mentioned initiatives are very important to improve the efficiency in customs administration; thus, it is important that DARA continues working on their consolidation. Likewise, similarly to what has been evidenced in other countries in the region, it is necessary to take a comprehensive approach in regards to the clearance process, and work with the different stakeholders involved in order to reduce the overall clearance time —measured from the arrival of goods— to comply with requirements set forth in CAFTA-DR and CAUCA.

With the purpose of supporting DARA's efforts, CRT proposes working on the following areas:

- Develop procedures to establish a consultation mechanism, aimed at taking into consideration feedback from stakeholders regarding proposed changes and/or additions to customs regulations and procedures.
- Review customs procedures in order to streamline them through the incorporation of international best practices conducive, to reduce the time involved in the clearance of goods.

- Develop a methodology to evaluate the efficiency of the customs clearance process.
- Improve the procedures used by non-customs entities involved in the release of goods process, to reduce the average clearance time to less than 48 hours after arrival.
- Strengthen the risk management function by adopting procedures and providing training aimed at reducing the number of physical inspections of shipments and increasing their effectiveness.
- Develop procedures to manage shared confidential information and train staff in its application.
- Strengthen the sanctions administration function related to customs operations.
- Enhance the capacity of DARA to process and issue advance rulings.

#### G. PERFORMANCE STANDARDS AND IMPACT INDICATORS

In accordance with USAID requirements, and as reflected in the amendment made to the CRT program contract signed in June of this year, performance standards and their corresponding impact indicators were identified with the objective of monitoring the program's performance.

These indicators will be used to draft the program's Performance Monitoring Plan *(PMP)* in August 2009. This plan will reflect the detailed strategy CRT will follow to monitor the program's progress and impact, and will include: precise definitions of the indicators to be used; the information that needs to be gathered, its sources and frequency of compilation; quality assessment techniques for the compiled information; and formats to present the outcomes obtained. A list of the performance standards and impact indicators to be used follows:

Component 1. CAFTA-DR member countries in compliance with Rules of Origin requirements stated in Chapter 4 of the agreement.

	Performance Standards	Impact Indicators
1.	Rules of origin units established and operating in the CAFTA-DR countries.	1.a. Rules of Origin departments or units in charge of performing origin verifications in all CAFTA-DR countries.      1.b. Units or departments in charge of providing support to the trade community in ROO issues in all CAFTA-DR countries.      1.c. Easy access channels for the trade community to inquire on ROO issues.
2.	Improved efficiency in the post-release origin verification process.	2.a. Number of origin verifications carried out in a predetermined period of time. 2.b. Effectiveness of the performed origin verifications (Verifications with findings/Total number of verifications). 2.c. Percentage of origin verifications performed based on the information provided by other units (risk, oversight, etc.).

	2.d. Origin verification processes initiated by means of verifications surveys.     2.e. Confirmed collection as a result of origin verifications.
Increase the knowledge and use of rules of origin by the trade community.	<ul> <li>3.a. ROO information presented in clear and simple language, available to the trade community.</li> <li>3.b. Percentage of imports and exports taking advantage of preferential tariff treatment under CAFTA-DR.</li> <li>3.c. Training, workshops or seminars in the area of ROO, targeted at the trade community.</li> </ul>
Facilitate the determination of origin and the issuance of origin certificates by the trade community, through the use of a regional automated system.	4.a. Implementation of the GEDOEL system to determine the origin of products and issue certificates of origin.  4.b. Percentage of certificates of origin issued using GEDOEL.

Component 2. CAFTA-DR member countries in compliance with Customs Administration requirements stated in Chapter 5 of the agreement.

Performance Standards	Impact Indicators
Reduction in the number of physical inspections of cargo.	1.a. Percentage of physical inspections of shipments performed in a predetermined period of time.  1.b. Percentage of physical inspections of imports under CAFTA-DR performed in a predetermined period of time.  1.c. Percentage of physical inspections of exports under CAFTA-DR performed in a predetermined period of time.  1.d Clearance time for goods imported under CAFTA-DR, subject to physical inspection.
Improved effectiveness of physical inspections.	2.a. Percentage of findings in the physical inspections of imported goods under CAFTA-DR. 2.b. Percentage of findings in the physical inspection of exported goods under CAFTA-DR. 2.c. Use of risk analysis systems to determine shipments subjected to physical inspections.
Effective use of findings (hits) in risk analysis and decision making.	3.a. Implementation of automated findings registries that provide feedback to risk analysis systems and to the origin verification and oversight units.  3.b. Percentage of physical inspections performed, based on information provided by the findings registry.  3.c. Percentage of post-release origin verifications performed, based on prior findings.
<ol><li>Established and operational offices to</li></ol>	4.a. Departments or offices in charge

issue advance rulings, issuing rulings in a timely fashion.	of issuing advance rulings in all CAFTA-DR member countries. 4.b. Number of advance rulings issued in a predetermined period of time. 4.c. Number of advance rulings issued in less than 150 days from the reception of the necessary information.
<ol> <li>Reduce the time required for the clearance of goods to meet CAFTA-DR requirements (less than 48 hours from arrival).</li> </ol>	<ul><li>5.a. Clearance of imported goods in less than 48 hours from the time of arrival.</li><li>5.b. Clearance of express shipments in less than 6 hours from the time of presentation of customs declaration.</li></ul>
Increase transparency of customs operations.	6.a. Customs clearance procedures delineating the powers of the customs authority and the rights and duties of importers/exporters, available to the trade community through the Internet or other means of easy access. 6.b. Departments/offices responsible for the reception and management of claims and complaints regarding customs procedures in all CAFTA-DR countries.
7. Customs sanction regimes in accordance with CAFTA-DR provisions implemented and efficiently administered	7.a Procedural and policy reforms necessary to implement the requirements of CAFTA-DR fully adopted and in effect. 7.b. Departments or offices responsible for the administration of customs sanctions in all CAFTA-DR countries.
Improve cooperation among CAFTA - DR countries.	8.a. Signature of customs cooperation agreements by CAFTA-DR countries. 8.b. Implementation of customs cooperation agreements. 8.c. Information exchange mechanisms used to ensure compliance of customs legislation.

# Component 3. Strengthening the Institutional Capacity of SIECA

Performance Standards	Impact Indicators
Strengthening of the institutional	1.a. Identification of joint coordination
capacity of SIECA to manage donor	mechanisms for activities implemented
programs in the area of free trade	by SIECA and donor institutions.
agreements.	

# H. COUNTERPART COMMITMENTS AND RESOURCES

To carry out the effective implementation of the proposed activities, the commitment of customs and other counterpart agencies in the provision of resources and cooperation is imperative.

Among the resources to be contributed by counterparts we have:

- Staff responsible for the coordination and follow-up of specific activities to be implemented;
- If necessary, the provision of physical space and equipment required for the implementation of activities (e.g. office space for consultants, computer equipment for the installation and operation of systems to be developed, etc.).
- Assign participants to take part in proposed trainings;
- Others.

# ANNEXES – ASSISTANCE PLANS AND EXECUTION TIMETABLE BY COUNTRY

# El Salvador

No.	Activity	CAFTA-DR Article	KRA	Expected Results / Products	Comments/Observations	FY 2009	FY	FY 2010	
						Q4	Q1	Q2	Q3
		Componer	nt 1 – C	Chapter 4: Rules of Origin and Proc	edures of Origin				
1.1	Review clearance procedures in order to minimize immediate inspections derived from issues related to the origin of goods.	4.1	1.1	<ul> <li>Instructive to minimize immediate inspections deriving from issues related to the origin of goods.</li> <li>Train customs border officials on improved procedures.</li> </ul>	(Yellow light, product 1)  (Yellow light, product 1)	X	x		
1.2	Increase transparency of customs procedures regarding rules of origin through the publication of directive DGA-04-2008.	4.1	1.2	Guideline DGA-04-2008 accessible to the public through the DGA website.	(Red light, product 2)		Х		
1.3	Strengthen the institution responsible for with the processing of administrative appeals regarding ROO, in which legal action is required.	4.2 to 4.11 and 4.13	1.1	Training for judges and prosecutors responsible for with the processing of appeals, in relevant areas such as: Formalities to be observed in the origin verification procedures. Rules of origin focused on RVC. Other countries' experience in the issuance of administrative rulings.	(Red light, product 3)		Х		
1.4	Improve information available to users regarding rules of origin.	4.2 to 4.11 and 4.13	1.2	Train the private sector in ROO, including post-clearance verification obligations.  List of frequently solved questions.	(Yellow light, product 2)	x			
		7.10	1.2	<ul> <li>List of frequently asked questions</li> </ul>	(Yellow light, product 5)	^			

No.	Activity	CAFTA-DR Article	KRA	Expected Results / Products	Comments/Observations	FY 2009		FY 2010	
						Q4	Q1	Q2	Q3
			1.2	concerning origin, published on the Internet.  Explanatory guide for users regarding rules of origin.	(Yellow light, product 5)	x			
1.5	Develop customs procedures to combat origin violations related with transits and in-bond shipments.	4.12	1.1	<ul> <li>Procedures Manual outlining requirements and how to obtain information to avoid origin violations related with transits.</li> <li>Train staff on developed procedures.</li> <li>Publish directive 88 on the DGA website</li> </ul>	(Red light, product 2) (Red light, product 2) (Yellow light, product 5)		x x x		
1.6	Provide customs and foreign trade users, tools to complete and issue electronic certificates of origin.	4.16	1.1	GEDOEL system to fill and issue electronic certificates of origin approved and adopted.     Dissemination Plan to introduce the GEDOEL system to foreign trade users     Develop a software module allowing customs to receive electronic certificates of origin.	(Red light, product 4)  (Red light, product 4)  (Red light, product 5)	Х	x	x	
1.7	Strengthen the post-release origin verification function.	4.20	1.1	Design and implement a software module to record findings (incidents/irregularities)     Train verification unit staff in:	(Yellow light, product 5)  (Yellow light, product 7)  (Red light, product 9)	x	х	x	

No.	Activity	CAFTA-DR Article	KRA	Expected Results / Products	Comments/Observations	FY 2009		Y 2010	)
						Q4	Q1	Q2	Q3
			1.1	publish them on the Internet					
		C	ompon	ent 2 – Chapter 5: Customs Admin	istration				
2.1	Improve procedures to reduce goods clearance time.	5.2 and 5.7	2.2	<ul> <li>Clearance procedures modified and improved to incorporate international best practices.</li> </ul>	(Yellow light, product 1)	X			
			2.2	<ul> <li>Train customs officials on improved border procedures, including those related to ROO.</li> </ul>	(Yellow light, product 1)		X		
			2.2	Develop mechanisms to enable the payment of duties and taxes after the clearance of goods.	(Yellow light, product 10)	X			
			2.2	Improved procedures for the clearance of express shipments.	(Yellow light, product 4, art. 5.7)	X			
2.2	Facilitate implementation of virtual single window for imports in order to improve the comprehensive clearance process, reducing it to less than 48 hours after arrival.	5.2	2.2	<ul> <li>Completed catalog of products.</li> <li>Regulations outlining the responsibilities of involved entities, and the operation procedures of the virtual single window for imports.</li> </ul>	(Red light, product 9) (Red light, product 9)	XX	X		
2.3	Provide IT tools, training and procedures to strengthen the risk management function within the DGA.	5.4	2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1	<ul> <li>Databases with information required to install the probabilistic risk module</li> <li>Optimized deterministic rules</li> <li>Probabilistic risk module</li> <li>Communication interfaces with customs system</li> <li>Early risk indicators module</li> <li>Event sequence detection module</li> <li>Findings register module</li> <li>Impact assessment module</li> <li>Staff trained on physical inspection of cargo</li> <li>Physical inspection manuals</li> </ul>	(Red light, product 1)  (Red light, product 1) (Red light, product 1) (Red light, product 1)  (Red light, product 1) (Red light, product 1) (Red light, product 1) (Red light, product 1) (Red light, product 1) (Yellow light, product 3)  (Green light, product 4)		x x x	X	X X X X

No.	Activity	CAFTA-DR Article	KRA	Expected Results / Products	Comments/Observations	FY 2009		2010	•
						Q4	Q1	Q2	Q3
			2.1	Functional review of Risk     Management Unit	(Yellow light, product 3)				Х
			2.1	Updated risk management manuals	(Green light, product 4)				Х
2.4	Improve the capacity of the DGA in the processing and issuance of advance rulings.	5.10	2.2	Specialized training for assigned personnel on the following areas:	(Yellow light, product 1)	X			
			2.2	<ul> <li>Software module for the reception of applications, management and issuance of advanced rulings.</li> </ul>	(Red light, product 3)	^			

# Costa Rica

No.	Activity.	CAFTA-DR Article	KRA	Expected Products/ Results	Comments/Observations	FY 2009	FΥ	<b>/ 2010</b>	,					
						Q4	Q1	Q2	Q3					
	Component 1 – Chapter 4: Rules of Origin and Procedures of Origin													
1.1	Review clearance procedures in order to minimize immediate inspections derived from issues related to the origin of goods.	4.1	1.1	<ul> <li>Disposition to minimize immediate inspections deriving from issues related to the origin of goods.</li> <li>Train customs border officials on improved procedures.</li> </ul>	(Yellow light, product 1)  (Yellow light, product 1)	X	X							
1.2	Establish mechanisms to receive and manage complaints and information requests regarding free trade agreements.	4.1 and 5.1	1.1 1.1 1.2 1.2	<ul> <li>Procedures to receive and manage information requests and complaints.</li> <li>Train staff assigned to provide customer service.</li> <li>Phone line to receive and manage information requests and complaints implemented and operational.</li> <li>E-mail address to receive and manage information requests and complaints implemented and operational.</li> </ul>	(Red light, product 2 art. 5.1)  (Yellow light, product 1, art. 5.1)  (Red light, product 3, art 4.1)		x x x							
1.3	Strengthen customer service unit in the area of ROO.	4.2 to 4.11 and 4.13	1.1	Train in customer service unit staff in ROO.	(Yellow light, product 1)	Х								
1.4	Strengthen the institution responsible for with the processing of administrative appeals regarding ROO, in which legal action is required.	4.2 to 4.11 and 4.13	1.1	Training for judges and prosecutors responsible for with the processing of appeals, in relevant areas such as:  Formalities to be observed in the origin verification procedures.  Rules of origin focused on RVC.  Other countries' experience	(Red light, product 3)		X							

No.	Activity.	CAFTA-DR Article	KRA	Expected Products/ Results	Comments/Observations	FY 2009		2010	
						Q4	Q1	Q2	Q3
				in the issuance of administrative rulings.					
1.5	Improve information available to users regarding rules of origin.	4.2 to 4.11 and	1.2	<ul> <li>Train the private sector in ROO, including post-clearance verification obligations.</li> </ul>	(Yellow light, product 2)	X			
		4.13	1.2	<ul> <li>List of frequently asked questions concerning origin, published on the Internet.</li> </ul>	(Green light, product 5)	X			
			1.2	Explanatory guide for users regarding rules of origin.	(Yellow light, product 5)	X			
1.6	Develop customs procedures to combat origin violations related with transits and in-bond shipments.	4.12	1.1	Regulatory and procedural text for the certification of custody in primary zone, of goods in indirect transit, transfer and transshipment.	(Red light, product 4)	Х			
	,		1.1	Regulation typifying violations related to transits and in-bond shipments.	(Red light, product 5)	X			
			1.2	Publish the conditions, documents and evidence importers must submit to customs so goods which have experienced transit and/or transshipment to temporary storage maintain their originating status.	(Red light, product 4)	X			
1.7	Provide customs and foreign trade users, tools to complete and issue electronic certificates	4.16	1.1	GEDOEL system to fill and issue electronic certificates of origin approved and adopted.	(Red light, product 4)	X	Х		
	of origin.		1.2	Dissemination Plan to introduce the GEDOEL system to foreign trade users	(Red light, product 4)		X		
			1.1	Develop a software module allowing customs to receive electronic certificates of origin.	(Red light, product 5)			X	
1.8	Strengthen the post-release origin verification function.	4.20	1.1	Develop or review origin verification procedures (manual).	(Yellow light, product 2)			Х	

No.	Activity.		Activity. CAFTA-DR KRA Expected Products/ Commen Article Results	Comments/Observations	FY 2009		2010		
						Q4	Q1	Q2	Q3
			1.1	<ul> <li>Write up guidelines for the development of origin audit plans (including an initial plan).</li> <li>Design and implement software</li> </ul>	(Yellow light, product 4)  (Red light, product 5) it will be carried	x	X	X	
				module to register origin verification findings.	out with activity 2.2				
			1.1	Train verification unit staff in:  Accounting concepts  Cost accounting and inventory management  Net cost RVC method for automotive goods  Accumulation systems	(Yellow light, product 7)			X	
			1.1	<ul> <li>Draft verification questionnaires and publish them on the Internet.</li> </ul>	(Red light, Art. 4.20, prod 9)			х	
			1.1	<ul> <li>Draft procedures to conduct origin verifications abroad.</li> </ul>	(Red light, Art. 4.20, prod 11)			х	
		Cor	nponei	nt 2 - Chapter 5: Customs Adminis	tration				
2.1	Improve the comprehensive clearance process, reducing it to less than 48 hours after the arrival of goods.	5.2	2.2	Simplified clearance procedures for non-customs institutions involved in clearance.	(Red light, product 9)	X			
2.2	Provide IT tools, training and procedures to strengthen the risk	5.4	2.1	Databases with information required to install the probabilistic risk module	(Yellow light, product 1)	X			
	management function within the		2.1	Optimized deterministic rules	(Yellow light, product 1)	X			
	DGA.		2.1	Probabilistic risk module	(Yellow light, product 1)	X	X		
			2.1	Communication interfaces with customs system	(Yellow light, product 1)	X	Х		
			2.1	Early risk indicators module	(Yellow light, product 1)			Х	
			2.1	Event sequence detection module	(Yellow light, product 1)			Х	
			2.1	Findings register module	(Yellow light, product 1)	X	Χ		
			2.1	Impact assessment module	(Yellow light, product 1)		_	Х	_

No.	Activity.	CAFTA-DR Article	KRA	Expected Products/ Results	Comments/Observations	FY 2009		2010	)
						Q4	Q1	Q2	Q3
			2.1	Staff trained on physical inspection of cargo	(Yellow light, product 3)				X
			2.1	Physical inspection manuals	(Green light, product 4)				X
			2.1	Functional review of Risk     Management Unit	(Yellow light, product 3)				Х
			2.1	Updated risk management manuals	(Green light, product 4)				Х
2.3	Improve the capacity of the DGA in the processing and issuance of advance rulings.	5.10	2.2 2.2 2.2 2.2	Specialized training for assigned personnel in the following areas:	(Yellow light, product 1)  (Red light, product 2)  (Red light, product 3)  (Red light, product 4)		x x x x x		

# Guatemala

No.	Activity.	CAFTA-DR Article	KRA	Expected Products/ Results	Comments/Observations	FY 2009	F۱	<b>/</b> 2010	
						Q4	Q1	Q2	Q3
		Componer	nt 1 – C	Chapter 4: Rules of Origin and Proc					
1.1	Review clearance procedures in order to minimize immediate inspections derived from issues related to the origin of goods.	4.1	1.1	<ul> <li>Instructive to minimize immediate inspections deriving from issues related to the origin of goods.</li> <li>Train customs border officials on improved procedures.</li> <li>Instructive published on the Internet</li> </ul>	(Yellow light, product 1)  (Yellow light, product 1)  (Red light, product 2)		X X		
1.2	Strengthen the institution responsible for with the processing of administrative appeals regarding ROO, in which legal action is required.	4.2 to 4.11 and 4.13	1.1	Training for judges and prosecutors responsible for with the processing of appeals, in relevant areas such as:  Formalities to be observed in the origin verification procedures.  Rules of origin focused on RVC.  Other countries' experience in the issuance of administrative rulings.	(Red light, product 3)		X		
1.3	Improve information available to users regarding rules of origin.	4.2 to 4.11 and 4.13	1.2 1.2 1.2	<ul> <li>Train the private sector in ROO, including post-clearance verification obligations.</li> <li>List of frequently asked questions concerning origin, published on the Internet.</li> <li>Explanatory guide for users regarding rules of origin.</li> </ul>	(Yellow light, product 2)  (Yellow light, product 5)  (Yellow light, product 5)		x x		
1.4	Develop customs procedures to combat origin violations related with transits and in-bond shipments.	4.12	1.1	Procedures Manual outlining requirements and how to obtain information to avoid origin violations related with transits.	(Red light, product 2)		Х		

No.	Activity.	CAFTA-DR Article	KRA	Expected Products/ Results	Comments/Observations	FY 2009		Y 2010	)
						Q4	Q1	Q2	Q3
			1.1 1.2	<ul> <li>Train staff on developed procedures.</li> <li>Publish the conditions, documents and evidence importers must submit to customs so goods which have experienced transit and/or</li> </ul>	(Red light, product 2) (Red light, product 5)		x x		
				transshipment to temporary storage maintain their originating status.					
1.5	Provide customs and foreign trade users, tools to complete and issue electronic certificates	4.16	1.1	GEDOEL system to fill and issue electronic certificates of origin approved and adopted.	(Red light, product 4)	X	Х		
	of origin.		1.2	Dissemination Plan to introduce the GEDOEL system to foreign trade users	(Red light, product 4)		Х		
			1.1	Develop a software module allowing customs to receive electronic certificates of origin.	(Red light, product 5)			X	
1.6	Strengthen the post-release origin verification function.	4.20	1.1	Write up guidelines for the development of origin audit plans (including an initial plan).	(Red light, product 4)			X	
			1.1	Design and implement software module to register origin verification findings.	(Red light, product 5)	X			
			1.1	Train verification unit staff on: Accounting concepts, including: financial statements, cost accounting and inventory management (LIFO and FIFO); Net cost RVC method for	(Yellow light, product 7)			X	
				<ul> <li>Net cost RVC method for automotive goods;</li> <li>Cost accumulation systems</li> </ul>					
				among related companies;  Auditing techniques					

No.	Activity.	Activity.	Activity. CAFTA-DR KRA Expected Products/ Comments/Observations Article Results		Comments/Observations	FY 2009		Y 2010	)
						Q4	Q1	Q2	Q3
			1.2	Draft verification questionnaires and publish them on the Internet.	(Red light, product 9)			X	
		C	ompon	ent 2 - Chapter 5: Customs Admin	istration				
2.1	Improve information available to the trade community regarding customs procedures.	5.1	2.2	Customs guide	(Green traffic light, prod 2)			Х	
2.2	Improve procedures to reduce goods clearance time.	5.2 and 5.7	2.2 2.2 2.2 2.2	<ul> <li>Clearance procedures modified and improved to incorporate international best practices.</li> <li>Train customs officials on improved border procedures, including those related to ROO.</li> <li>Methodology to evaluate the efficiency of the customs clearance process</li> <li>Develop mechanisms to enable the payment of duties and taxes after the clearance of goods.</li> </ul>	(prods 1 (Green) and 4 (Yellow) on traffic light)  (Yellow traffic light, prod 4)  (Red traffic light, prod 5)  (Red traffic light, prod 10)		x x x		
2.3	Improve the comprehensive clearance process, reducing it to less than 48 hours after the arrival of goods.	5.2	2.2	<ul> <li>Simplified clearance procedures for non-customs institutions involved in clearance.</li> <li>Strategy to implement a single window for exports.</li> </ul>	(Red traffic light, prod 9)		x		
2.4	Provide IT tools, training and procedures to strengthen the risk management function within the DGA.	5.4	2.1 2.1 2.1 2.1 2.1 2.1 2.1	<ul> <li>Early risk indicators module</li> <li>Event sequence detection module</li> <li>Findings register module</li> <li>Impact assessment module</li> <li>Staff trained on physical inspection of cargo</li> <li>Physical inspection manuals</li> <li>Functional review of Risk</li> </ul>	(Green traffic light, prod 1) (Green traffic light, prod 3)		x	X X	x x x x

No.	Activity.	CAFTA-DR Article	KRA	Expected Products/ Results	Comments/Observations	FY 2009		2010	)
						Q4	Q1	Q2	Q3
			2.1	Management Unit     Updated risk management manuals					х
2.5	Strengthen the sanctions administration function, in	5.9	2.3	Recommended structure for the administration of sanctions.	(Red traffic light, prod 2)		X		
	regards to customs operations		2.3	Train staff in charge of sanctions administration.	(Red traffic light, prod 2)		X		
2.6	Improve the capacity of the DGA in the processing and issuance of advance rulings.	5.10	2.2	Specialized training delivered to staff in the following areas:     Accounting concepts, including: financial statements, costs accounting, inventory management (UEPS) and (PEPS);     Valuation;     Net cost RVC method for the automotive industry;     Cost accumulation systems between related companies;     IT module for the reception of requests, management and issue of advance rulings.     Procedures and requirements to request advance rulings published on the Internet	(Yellow traffic light, prod 1)  (Red traffic light, prod 3)  (Red traffic light, prod 4)		x	x	

## Dominican Republic

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	F۱	2010	)
		OAI IA-DI				Q4	Q1	Q2	Q3
		Compo	nent 1	- Chapter 4: Origin Rules and Origi	n Procedures				
1.1	Review clearance procedures in order to minimize immediate inspections derived from issues related to the origin of goods.	4.1	1.1	Instructive to minimize immediate inspections deriving from issues related to the origin of goods.      Train customs border officials on	(Yellow traffic light, product 1)  (Yellow traffic light, product 1)	X	х		
				improved procedures.	(Tollow traine light, product 1)				
			1.2	Instructive published on the Internet	(Yellow traffic light, product 1)		Χ		
1.2	Establish mechanisms to receive and manage complaints and	4.1 and 5.1	1.1	Procedures to receive and manage information requests and complaints.	(Red traffic light, prod 2, art. 5.1)		X		
	information requests regarding free trade agreements.		1.1	Train staff assigned to provide customer service.	(Red traffic light, prod 1, art. 5.1)		X		
			1.2	<ul> <li>Phone line to receive and manage information requests and complaints implemented and operational.</li> </ul>	(Red traffic light, prod 3 art. 4.1)		Х		
			1.2	E-mail address to receive and manage information requests and complaints implemented and operational.			X		
1.3	Strengthen the institution responsible for with the processing of administrative appeals regarding ROO, in which legal action is required.	4.2 to 4.11 and 4.13	1.1	<ul> <li>Training for judges and prosecutors responsible for with the processing of appeals, in relevant areas such as:         <ul> <li>Formalities to be observed in the origin verification procedures.</li> <li>Rules of origin focused on RVC.</li> <li>Other countries' experience in the issuance of administrative rulings.</li> </ul> </li> </ul>	(Red traffic light, product 3)		X		
1.4	Improve information available to	4.2 to	1.2	Train the private sector in ROO,	(Green traffic light, product 2)	Х			

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	F۱	2010	,
						Q4	Q1	Q2	Q3
	users regarding rules of origin.	4.11 and 4.13	1.2	<ul> <li>including post-clearance verification obligations.</li> <li>List of frequently asked questions concerning origin, published on the Internet.</li> <li>Explanatory guide for users regarding rules of origin.</li> </ul>	(Red traffic light, product 5) (Red traffic light, product 5)	x			
1.5	Develop customs procedures to combat origin violations related with transits and in-bond shipments.	4.12	1.1	<ul> <li>Procedures Manual outlining requirements and how to obtain information to avoid origin violations related with transits.</li> <li>Train staff on developed procedures.</li> <li>Publish the conditions, documents and evidence importers must submit to customs so goods which have experienced transit and/or transshipment to temporary storage maintain their originating status.</li> </ul>	(Red traffic light, prod 2)  (Red traffic light, prod 2) (Red traffic light, prod 5)		X X X		
1.6	Provide customs and foreign trade users, tools to complete and issue electronic certificates of origin.	4.16	1.1 1.2 1.1	<ul> <li>GEDOEL system to fill and issue electronic certificates of origin approved and adopted.</li> <li>Dissemination Plan to introduce the GEDOEL system to foreign trade users</li> <li>Develop a software module allowing customs to receive electronic certificates of origin.</li> </ul>	(Green traffic light, prod 4)  (Green traffic light, prod 4)  (Green traffic light, prod 5)	Х	x	х	
1.7	Strengthen the post-release origin verification function.	4.20	1.1	<ul> <li>Write up guidelines for the development of origin audit plans (including an initial plan).</li> <li>Design and implement software</li> </ul>	(Red traffic light, prod 4) (Red traffic light, prod 5)			X	

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009		<b>2010</b>	)
						Q4	Q1	Q2	Q3
			1.1	module to register origin verification findings.  Train verification unit staff on: Rules of Origin; Customs valuation; Accounting concepts, including: financial statements, cost accounting and inventory management (LIFO and FIFO); Classification of goods; General HTS rules Net cost RVC method for automotive goods; Cost accumulation systems among related companies; Auditing techniques.	(Red traffic light, prod 7)			х	
			1.2	<ul> <li>Draft verification questionnaires and publish them on the Internet.</li> </ul>	(Yellow traffic light, prod 9)			Х	
			1.1	<ul> <li>Written disposition giving legal force to origin verification procedures.</li> </ul>	(Red traffic light, prod 10)			X	
		C	ompon	ent 2 - Chapter 5: Customs Admini	stration				
2.1	Develop procedures to establish a consultation mechanism, aimed at taking into consideration feedback from stakeholders regarding proposed changes and/or additions to customs	5.1	2.2	<ul> <li>Procedures to request comments and feedback of stakeholders regarding changes in customs regulations.</li> <li>Train staff in charge of procedures.</li> </ul>	(Red traffic light, prod 5) (Red traffic light, prod 4)			x	
	regulations.								
2.2	Improve procedures to reduce goods clearance time.	5.2 and 5.7	2.2	<ul> <li>Clearance procedures modified and improved to incorporate international best practices.</li> </ul>	(Red prod 1 and Yellow prod 4)		Х		
			2.2	<ul> <li>Train customs officials on improved border procedures, including those</li> </ul>	(Red traffic light, prod 1)		Х		

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	F۱	2010	,
						Q4	Q1	Q2	Q3
			2.2	<ul> <li>related to ROO.</li> <li>Methodology to evaluate the efficiency of the customs clearance process</li> </ul>	(Red traffic light, prod 5)		X		
			2.2	Develop mechanisms to enable the payment of duties and taxes after the clearance of goods.	(Yellow traffic light, prod 10)		X		
			2.2	Improved procedures for the clearance of express shipments.	(Yellow traffic light, prod 4, art. 5.7)		X		
2.3	Improve the comprehensive clearance process, reducing it to less than 48 hours after the	5.2	2.2	Simplified clearance procedures for non-customs institutions involved in clearance.	(Red traffic light, prod 9)		X		
	arrival of goods.		2.2	Strategy to implement a single window for exports.	(Red traffic light, prod 9)		X		
2.4	Provide IT tools, training and procedures to strengthen the risk	5.4	2.1	Train customs officials in risk analysis and data mining.	(Yellow traffic light, prod 3)		Х		
	management function within the DGA.		2.1	Assist customs in the evaluation and adoption of the risk management tools under the new customs system.	(Red traffic light, prod 1)		X		
			2.1	Train customs officials on physical inspection of cargo	(Yellow traffic light, prod 3)				Х
			2.1	Physical inspection manuals	(Red traffic light, prod 4)				X
			2.1	Functional review of Risk     Management Unit	(Yellow traffic light, prod 3)				X
			2.1	Updated risk management manuals	(Red traffic light, prod 4)				X
2.5	Improve the DGA's capacity to process and issue advance rulings.	5.10	2.2	Specialized training delivered to staff in the following areas:     Accounting concepts, including: financial statements, cost accounting and inventory management (LIFO and FIFO);	(Yellow traffic light, prod 1)			X	

No.	Activity	Article	KRA	Products/Expected Results	Comments/Observations	FY	FY	2010	)
		CAFTA-DR				2009			
						Q4	Q1	Q2	Q3
			2.2	<ul> <li>Net cost RVC method for automotive goods;</li> <li>Auditing techniques.</li> <li>IT module for the reception of requests, management and issue of advance rulings.</li> </ul>	(Red traffic light, prod 3)			x	

## Nicaragua

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	F	Y 2010	
						Q4	Q1	Q2	Q3
		Compo	nent 1-	- Chapter 4: Origin Rules and Origi					
1.1	Review clearance procedures in order to minimize immediate inspections derived from issues related to the origin of goods.	4.1	1.1	<ul> <li>Instructive to minimize immediate inspections deriving from issues related to the origin of goods.</li> <li>Train customs border officials on improved procedures.</li> <li>Instructive published on the Internet</li> </ul>	(Yellow traffic light, product 1)  (Yellow traffic light, product 1) implemented with activity 2.2 (Green traffic light, product 2)		x x x		
1.2	Establish mechanisms to receive and manage complaints and information requests regarding free trade agreements.	4.1 and 5.1	1.1 1.1 1.2	<ul> <li>Procedures to receive and manage information requests and complaints.</li> <li>Train staff assigned to provide customer service.</li> <li>Phone line to receive and manage information requests and complaints implemented and operational.</li> <li>E-mail address to receive and manage information requests and complaints implemented and operational.</li> </ul>	(Red traffic light, prod 2, art. 5.1)  (Green traffic light, prod 1, art. 5.1)  (Red traffic light, prod 3, art. 4.1)		X X X		
1.3	Strengthen customer service unit in the area of ROO.	4.2 to 4.11 and 4.13	1.1	Train in customer service unit staff in ROO.	(Yellow traffic light, product 1)		X		
1.4	Strengthen the institution responsible for with the processing of administrative appeals regarding ROO, in which legal action is required.	4.2 to 4.11 and 4.13	1.1	Training for judges and prosecutors responsible for with the processing of appeals, in relevant areas such as:  Formalities to be observed in the origin verification procedures.  Rules of origin focused on RVC.	(Red traffic light, product 3)			X	

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	F	2010	,
						Q4	Q1	Q2	Q3
				<ul> <li>Other countries' experience in the issuance of administrative rulings.</li> </ul>					
1.5	Improve information available to users regarding rules of origin.	4.2 to 4.11 and 4.13	1.2	<ul> <li>Train the private sector in ROO, including post-clearance verification obligations.</li> <li>List of frequently asked questions concerning origin, published on the Internet.</li> <li>Explanatory guide for users regarding rules of origin.</li> </ul>	(Green traffic light, product 2)  (Red traffic light, product 5)  (Red traffic light, product 5)	x	X		
1.6	Develop customs procedures to combat origin violations related with transits and in-bond shipments.	4.12	1.1	<ul> <li>Procedures Manual outlining requirements and how to obtain information to avoid origin violations related with transits.</li> <li>Train staff on developed procedures.</li> <li>Publish the conditions, documents and evidence importers must submit to customs so goods which have experienced transit and/or transshipment to temporary storage maintain their originating status.</li> </ul>	(Red traffic light, prod 2) (Red traffic light, prod 2) (Red traffic light, prod 5)			X X X	
1.7	Provide customs and foreign trade users, tools to complete and issue electronic certificates of origin.	4.16	1.1	<ul> <li>GEDOEL system to fill and issue electronic certificates of origin approved and adopted.</li> <li>Dissemination Plan to introduce the GEDOEL system to foreign trade users</li> </ul>	(Red traffic light, prod 4)  (Red traffic light, prod 4)	х	x	X	
			1.1	Develop a software module allowing customs to receive electronic certificates of origin.	(Red traffic light, prod 5)			Х	]

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009		Y 2010	)
						Q4	Q1	Q2	Q3
1.8	Strengthen the post-release origin verification function.	4.20	1.1	<ul> <li>Write up guidelines for the development of origin audit plans (including an initial plan).</li> </ul>	(Yellow traffic light, prod 4)			Х	
			1.1	<ul> <li>Design and implement software module to register origin verification findings.</li> </ul>	(Yellow traffic light, prod 5)			X	
			1.1	<ul> <li>Train verification unit staff on:         <ul> <li>Accounting concepts, including: financial statements, cost accounting and inventory management (LIFO and FIFO);</li> <li>Net cost RCV method for automotive goods;</li> <li>Auditing techniques.</li> </ul> </li> </ul>	(Yellow traffic light, prod 7)			X	
			1.2	<ul> <li>Draft verification questionnaires and publish them on the Internet.</li> </ul>	(Yellow traffic light, prod 9)			Х	
			1.1	<ul> <li>Written disposition giving legal force to origin verification procedures.</li> </ul>	(Yellow traffic light, prod 10)			X	
			1.1	Portable computers	(Red traffic light, prod 6)			X	
		C	ompon	ent 2 - Chapter 5: Customs Admini	istration				
2.1	Develop procedures to establish a consultation mechanism, aimed at taking into consideration	5.1	2.2	<ul> <li>Procedures to request comments and feedback of stakeholders regarding changes in customs regulations.</li> </ul>	(Red traffic light, prod 5)			Х	
	feedback from stakeholders regarding proposed changes and/or additions to customs regulations.		2.2	Train staff in charge of procedures.	(Green traffic light, prod 4)			X	
2.2	Improve procedures to reduce goods clearance time.	5.2 and 5.7	2.2	<ul> <li>Clearance procedures modified and improved to incorporate international best practices.</li> </ul>	(prods 1 (green) and 4 (red) on traffic light)		Х		
			2.2	<ul> <li>Train customs officials on improved border procedures, including those</li> </ul>	(Red traffic light, prod 4)		Х		

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009		Y 2010	)
						Q4	Q1	Q2	Q3
			2.2	related to ROO.  Methodology to evaluate the efficiency of the customs clearance process	(Red traffic light, prod 5)		X		
			2.2	Procedures to allow the reception of electronic customs declarations prior to the arrival of goods.	(Red traffic light, prod 6)		X		
			2.2	Develop mechanisms to enable the payment of duties and taxes after the clearance of goods.	(Red traffic light, prod 10)		X		
				Improved procedures for the clearance of express shipments.	(Yellow traffic light, prod 4, art. 5.7)	х			
2.3	Improve the comprehensive clearance process, reducing it to less than 48 hours after the	5.2	2.2	Simplified clearance procedures for non-customs institutions involved in clearance.	(Red traffic light, prod 9)		Х		
	arrival of goods.		2.2	Strategy to implement a single window for exports.	(Red traffic light, prod 9)		Х		
2.4	Develop a methodology to assess the efficiency of the clearance process	5.3	2.2	Methodology to periodically assess the duration of the individual procedures that conform the clearance process.	(Red traffic light, prod 4)		Х		
2.5	Provide IT tools, training and	5.4	2.1	Early risk indicators module	(Green traffic light, prod 1)			Χ	Х
	procedures to strengthen the risk		2.1	Event sequence detection module	(Green traffic light, prod 1)			X	X
	management function within the		2.1	Findings register module	(Green traffic light, prod 1)			X	X
	DGA.		2.1	Impact assessment module	(Green traffic light, prod 1)			X	X
			2.1	Staff trained on physical inspection of	(Yellow traffic light, prod 3)				Х
				cargo	(0 , (1 ) )				X
			2.1	Physical inspection manuals     Physical inspection manuals	(Green traffic light, prod 4)				X
			2.1	Functional review of Risk     Management Unit	(Yellow traffic light, prod 3)				
			2.1	Updated risk management manuals	(Green traffic light, prod 4)				X
2.6	Develop a procedures manual for	5.6	2.2	Procedures manual to manage	(Red traffic light, prod 2)		Χ		

No.	Activity	Article	KRA	Products/Expected Results	Comments/Observations	FY		2010	)
		CAFTA-DR				2009 Q4	Q1	Q2	Q3
	the management of shared confidential information.		2.2	<ul> <li>shared confidential information.</li> <li>Train staff in charge of the application of the developed procedures.</li> </ul>	(Red traffic light, prod 2)		х		
2.7	Improve the capacity of the DGA in the processing and issuance of advance rulings.	5.10	2.2	Specialized training for assigned personnel on the following areas:	(Yellow traffic light, prod 1)  (Yellow traffic light, prod 3)			X	x

## Honduras

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	FΥ	2010	
						Q4	Q1	Q2	Q3
		Compo	nent 1-	<ul> <li>Chapter 4: Origin Rules and Origin</li> </ul>	n Procedures				
1.1	Improve information available to users regarding rules of origin.	4.2 to 4.11 and	1.2	Train the private sector in ROO, including post-clearance verification obligations.	(Green traffic light, product 2)			X	
		4.13	1.2	<ul> <li>List of frequently asked questions concerning origin, published on the Internet.</li> </ul>	(Yellow traffic light, product 5)			X	
			1.2	Explanatory guide for users regarding rules of origin.	(Yellow traffic light, product 5)			Х	
1.2	Establish mechanisms to receive and manage complaints and	4.1 and 5.1	1.1	Procedures to receive and manage information requests and complaints.	(Red traffic light, prod 2, art 4.1)			Χ	
	information requests regarding free trade agreements.		1.1	<ul> <li>Train staff assigned to provide customer service.</li> </ul>	(Red traffic light, prod 1, art 4.1)			Х	
			1.2	Phone line to receive and manage information requests and complaints implemented and operational.	(Yellow traffic light, prod 3, art 5.1)			Х	
			1.2	E-mail address to receive and manage information requests and complaints implemented and operational.				X	
1.3	Develop customs procedures to combat origin violations related with transits and in-bond shipments.	4.12	1.1	Procedures Manual outlining requirements and how to obtain information to avoid origin violations related with transits.	(Red traffic light, prod 2)			Х	
			1.1 1.2	<ul> <li>Train staff on developed procedures.</li> <li>Publish the conditions, documents and evidence importers must submit to customs so goods which have experienced transit and/or transshipment to temporary storage</li> </ul>	(Red traffic light, prod 2) (Red traffic light, prod 5)			X	

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009		FY 2010					
						Q4	Q1	Q2	Q3				
				maintain their originating status.									
1.4	Provide customs and foreign trade users, tools to complete and issue electronic certificates of origin.	4.16	1.1	GEDOEL system to fill and issue electronic certificates of origin approved and adopted.	(Red traffic light, prod 4)	Х	Х						
		of origin.		1	1.2		1.2	Dissemination Plan to introduce the GEDOEL system to foreign trade users	(Red traffic light, prod 4)			X	
		1.	1.1	Develop a software module allowing customs to receive electronic certificates of origin.	(Yellow traffic light, prod 5)			X					
1.5	Strengthen the post-release origin verification function.	4.20	1.1	Write up guidelines for the development of origin audit plans (including an initial plan).	(Red traffic light, prod 4)			Х					
			1.1	Design and implement software module to register origin verification findings.	(Yellow traffic light, prod 5)				X				
			1.1	Train verification unit staff on: Customs valuation; Accounting concepts, including: financial statements, cost accounting and inventory management (LIFO and FIFO); Classification of goods; General HTS rules; Net cost RCV method for automotive goods; Cost accumulation systems among related companies; Auditing techniques.	(Yellow traffic light, prod 7)			X					
			1.1	<ul> <li>Draft verification questionnaires and publish them on the Internet.</li> </ul>	(Red traffic light, prod 9)			x x					
			1.1		(Red traffic light, prod 10)				x				

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009		FY 2010					
				to origin verification procedures.		Q4	Q1	Q2	Q3				
				to origin verification procedures.									
	Component 2 - Chapter 5: Customs Administration												
2.1	Develop procedures to establish a consultation mechanism, aimed at taking into consideration feedback from stakeholders regarding proposed changes	5.1	2.2	<ul> <li>Procedures to request comments and feedback of stakeholders regarding changes in customs regulations.</li> <li>Train staff in charge of procedures.</li> </ul>	(Red traffic light, prod 5)  (Green traffic light, prod 4)			x					
	and/or additions to customs regulations.												
2.2	Improve procedures to reduce goods clearance time.	5.2 and 5.7	2.2	Train customs officials on improved border procedures, including those related to ROO.	(Green traffic light, prod 1, art. 5.2)				Х				
			2.2	Methodology to evaluate the efficiency of the customs clearance process	(Red traffic light, prod 5, art. 5.2)				X				
			2.2	Develop mechanisms to enable the payment of duties and taxes after the clearance of goods.	(Red traffic light, prod 10, art. 5.2)				X				
2.3	Improve the comprehensive clearance process, reducing it to less than 48 hours after the	5.2	2.2	Simplified clearance procedures for non-customs institutions involved in clearance.	(Red traffic light, prod 9)				Х				
	arrival of goods.		2.2	Strategy to implement a single window for exports.	(Red traffic light, prod 9)				X				
2.4	Develop a methodology to assess the efficiency of the clearance process	5.3	2.2	Methodology to periodically assess the duration of the individual procedures included in the clearance process.	(Red traffic light, prod 4)				Х				
2.5	Provide IT tools, training and procedures to strengthen the risk	5.4	2.1	Train customs officials in risk analysis and data mining.	(Yellow traffic light, prod 3)			X	_				
	management function within the		2.1	Early risk indicators module	(Green traffic light, prod 1)			X	Х				

No.	Activity	Article CAFTA-DR	KRA	Products/Expected Results	Comments/Observations	FY 2009	FY	2010	
						Q4	Q1	Q2	Q3
	DGA.		2.1 2.1 2.1 2.1 2.1 2.1 2.1	<ul> <li>Event sequence detection module</li> <li>Findings register module</li> <li>Impact assessment module</li> <li>Staff trained on physical inspection of cargo</li> <li>Physical inspection manuals</li> <li>Functional review of Risk Management Unit</li> <li>Updated risk management manuals</li> </ul>	(Green traffic light, prod 1) (Green traffic light, prod 1) (Green traffic light, prod 1) (Yellow traffic light, prod 3)  (Green traffic light, prod 4) (Yellow traffic light, prod 3)  (Green traffic light, prod 4)			X X X	X X X X X
2.6	Develop a procedures manual for the management of shared confidential information.	5.6	2.2	<ul> <li>Procedures manual to manage shared confidential information.</li> <li>Train staff in charge of the application of the developed procedures.</li> </ul>	(Red traffic light, prod 2) (Red traffic light, prod 2)				X X
2.7	Strengthen the sanctions administration function, in regards to customs operations	5.9	2.3	Recommended structure for the administration of sanctions.     Train staff in charge of sanctions administration.	(Red traffic light, prod 2) (Red traffic light, prod 2)				X X
2.8	Improve the capacity of the DGA in the processing and issuance of advance rulings.	5.10	2.2	Specialized training for assigned personnel on the following areas:	(Yellow traffic light, prod 1)			Х	